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COAL AND PETROLEUM RESOURCES IN MANCHURIA AND CHINA PROPER AND THEIR DEVELOPMENT UNDER THE CHINESE COMMUNIST REGIME

(PART I)

CONTENTS

III. Coal Reserves and Production in Manchuria and China (pre-war)

IV. Extent of Coal Reserves as Based Upon Later Data

V. Petroleum Resources in China

Petroleum in Manchuria

Petroleum Resources in Old China (North, Central and South China)

Location of Principal Petroleum Deposits

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In Toronto in 1931, coal reserves in the whole of China was reported to [illegible] million 677 million tons. Although there are some differences in [illegible] depending upon data used, coal reserves in China could be said to be inexhaustible.

Coal reserves in the five northern provinces had been estimated at 132 million 817 million tons and to comprise 55.6 per cent of reserves in all

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Coal Reserves in the Northern Provinces of China: (in million tons)

Provinces	Reserves	Percentage of Total in China
Hopeh	3,071	1.3
Shantung	1,639	0.7
Shansi	127,127	53.2
Charhar	504	0.2
Suiyuan	476	0.2
Total for Five Provinces	132,817	55.6
Honan	7,764	3.2
Shensi	71,950	30.2
Other Provinces	26,528	11.0
Total for all China	239,099	100.0

Coal Production in the Northern Provinces of China:

Over thirty firms under private management, or public-private management, or under management outside China had been producing 14 million to 15 million tons of coal every year. Of this total, nine million to ten million tons were being consumed locally and four million to five million tons were being transported elsewhere.

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Coal Production in the Five Northern Provinces:
(thousands of tons)

Province	1931	1932	1933
Hopeh	7,365.2	6,386.4	7,739.4
Shantung	2,665.6	3,053.8	3,053.9
Shansi	2,431.3	2,466.2	2,700.5
Charhar	191.8	215.7	202.2
Suiyuan	69.2	56.7	57.9
Total	12,725.1	12,178.8	13,753.9

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[redacted]

Coal Resources in Central and South China:
Coal Reserves in Central and South China:

Coal reserves in China are maldistributed, with most of the reserves located in North China. [redacted] coal reserves in Shansi Province comprise 54.17 per cent of total reserves in China, and if this figure is added to 29.53 per cent, the percentage of the total located in Shensi Province, it would mean that the two provinces contain 82.7 per cent of all coal reserves in China. Consequently, even in coal production, North China accounts for 80 per cent of the total, whereas Central China and South China account for 16 per cent and four per cent, respectively. Coal reserves in Central and South China had been estimated at 13 billion 747 million tons and four billion 293 million tons, respectively

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Coal Reserves in Central and South China:
(in millions of tons)

Province	Reserves	Percentage
Kiangsu	217	0.89
Chekiang	100	0.04
Anhwei	360	0.15
Kiangsi	992	0.40
Hupeh	440	0.18
Honan	1,764	0.72
Szechwan	9,874	4.05
Total in Central China	13,747	5.69

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Province	Reserves	Percentage
Fukien	396	0.16
Kwangtung	421	0.17
Kwangsi	300	0.12
Kweichow	1,549	0.64
Yunnan	1,627	0.66
Total in South China	4,293	1.75
Total in seven Northern Provinces (Hopeh excluded)	227,331	93.44
Total in all other Provinces	13,093	5.38
Grand Total in all China (Note)	243,669	100.00

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Coal Production in Central and South China:

Coal reserves in Central and South China are as shown in the table above, but actual coal production in these two regions were negligible, their total having been less than four million tons (1934 statistics).

Seven Central Provinces:

Province	Production (in thousands of tons)
Hunan	267
Chekiang	250
Anhwei	633
Hupeh	458
Honan	889
Kiangsi	332
Szechwan	638
Total for Central China	3,467 [illegible] 14%

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Five Southern Provinces:

	Production (in thousands of tons)	
Kwangsi	5	
Fukien	336	
Kwangtung	100	
Kweichow	73	
Yunnan	115	
Total for South China	531	4%
Total for North China	16,636	80%
Grand Total	20,772	100%

Coal Reserves in Manchuria:

Coal reserves in Manchuria had been estimated at either five billion 320 million tons (Note 1), or 20 billion tons (Note 2).

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The survey made by the Showa Iron and Steel Works [redacted] 25X1
in 1940 supports the 20 billion tons estimate. Findings of this survey are shown in the table below:

Table of Coal Reserves in Manchuria (in thousands of tons):

Province	Reserves
Sanshiang	5,423,800
Chinchow	4,360,700
Hsingan Peisheng	3,980,000
Mutanchiang	1,927,200
Hsinkiang	1,785,770
Kirin	1,236,340
Chientao	811,910
T'ungpei	579,400
Jehol	275,820
Heilo	10,000
Other Provinces	11,520
Total	20,400,460

IV. Extent of Coal Reserves as Based Upon Later Data

There are many varying new data, and consequently, varying figures concerning coal reserves in China, but coal reserves are generally estimated at over 400 billion tons. [redacted] 25X1
[redacted] A 25X1
breakdown by provinces is shown in the table below:

Coal Reserves in China (in millions of tons):

Province	Reserves
Tungpei	12,422
Hopeh	4,365

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Province	Reserves
Honan	8,034
Shantung	2,126
Shansi	295,600
Kiangsu	217
Anhwei	760
Chekiang	100
Hunan	1,293
Hupeh	354
Kiangsi	700
Fukien	153
Kwangtung	333
Szechwan	3,833
Kweichow	2,518
Kwangsi	1,157
Yunnan	2,310
Sikang	531
Charhar	526
Suiyuan	476
Ningsia	457
Shensi	71,950
Kansu	1,056
Ch'inghai	824
Sinkiang	31,980
[redacted]	
Total	444,511

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7. Petroleum Resources in China

Petroleum in Manchuria

Petroleum production in Manchuria consisted chiefly of oil manufactured from oil shale by the South Manchurian Railway. Raw material or oil shale for oil manufacture came from the Fushun coal fields where rich reserves estimated at several billion tons were believed to exist. (Note.) In 1935 oil shale output reached over three million 400 thousand tons and oil output was approximately five per cent of the oil shale output.

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In the late 1930's the Fushun Oil Manufacturing Plant had been producing approximately 200 tons of shale tar per day. Of this shale tar production, 65 per cent was crude oil, 30 per cent was crude wax, and the remainder was ammonia, etc. Beginning June 1934, production was expanded in order to reach the goal of 360 thousand tons of crude oil output per year. It seems, however, that actual production fell short of the goal.

Oil layers had been known to exist within coal field zones of Chihlinmorh in Heingan Peisheng and of Fouhsin in Chinchow Province. Test drilling of these deposits were being carried out by the Manchurian Petroleum Company (MANSHU SEKIYU KAISHA).

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crude oil production was as follows:

1931	1932	1933	1934	1935
61,000 tons	71,000 tons	87,000 tons	60,000 tons	109,000 tons

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Petroleum Resources in Old China (North, Central, and South China)

China has been generally regarded as poor in petroleum resources. Even before the war, however, existence of oil deposits in the western highlands, principally Shensi Province, and in Sinkiang, Kansu, and Szechwan Provinces were geologically certain. [redacted] 25X1
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Pre-war oil production in China were as follows: (in 42 gallon barrels):

	1931	1932	1933	1934
Shensi	552	351	305	288
Kansu	100			
Szechwan	144	400	400	400
Sinkiang	300			
Hopeh - by-product oil from Chingheing Coal Mine	1,993	1,900	2,482	1,925
Total	2,482	2,251	3,187	2,613

As a result of surveys conducted in the past few years by the Red Chinese Government, petroleum resources in China which had been regarded as small in the past, are now claimed to be the third largest in the world.

[redacted] the Central Geological Survey Office (CHUNG-KUO TI-CHIH TIAOCH'A SO) of the Chinese Government estimated China's oil deposits at 206 million tons, and held that even if this is added to the 511 million tons of shale oil, the total would be only 717 million tons. However, according to later Red Chinese Government reports, over one billion 130 million tons of the shale reserves are claimed to exist in areas of Kansu and Shensi provinces alone, and if these are added to those in the as yet unsurveyed regions of Szechwan, Hopeh, and Manchuria, it is claimed that China probably possesses the third largest reserves in the world. 25X1

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Locations of principal oil fields now known are as follows:

Northeast: Fushun, Fuhsin, Yingyuan, Huanan

North China: T'angjen

South China: Heinchu, Chenan, Chiai

Northwest: Tihua, Suilai, Wusu, T'ach'eng, Shache, Wensu, K'uch'e, Yumen, Chiuch'uan, Minhe, Ch'aochui, Paoch'eng, Chungchan, Lench'uan

Southwest: Pa Hsien, Chiangching, Ch'ichiang, P'engch'i, Suining.

Recent estimates made by the Economic Planning Board (KEIZAI KIKAKU CHO), however, places reserves in the entire regions mentioned above at 700 million tons.

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VI. Production Goals Under Red China's Five Year Plan

Red China has been carrying out its first Five Year Plan since 1953. Planned production of coal and oil are approximately 1.7 times and six to seven times, respectively, of 1952 productions. Estimates of planned productions are shown in the table below (Note 1).

	1952 Production	Planned Production for 1957	Multiple Increase of 1957 over 1952
Coal	63,526,000	112,985,000	1.78 times
Oil (Note 2)	436,000	2,012,000	4.62 times

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(Note 2): The maximum oil output before the war (1943) is reported to have been three million tons.

According to the November 1955 issue of the New China Monthly News (HSINHUA YUEHPAO), the latest issue received, coal and oil production for the last few years were as follows:

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(in ten thousand tons)

	Pre-War Peak	1942	1952	1953	1954
Coal	6187.5 (1942)	3098.4	6352.8	6657.2	7992.8
Oil	32.0 (1943)	12.2	43.6	62.2	78.9

VII. (1) Maximum Coal Production (Manchuria):

The peak year in coal production in Manchuria is said to have been 1943. Consequently, it would mean that the greatest coal production in Manchuria was 25 million 320 thousand tons.

(in one ton unit)

	1936	1943
Heilungkiang	906,000	Unknown
Kirin	663,000	"
Liaoning	11,948,000	"
Jehol	547,000	"
Total	13,664,000	25,320,425

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Coal production figures given in the survey conducted by the Geological Survey Office of the South Manchurian Railway are given here as reference:

(in one ton unit)

1931	1932	1933	1934	1935
9,124	7,099	9,063	10,704	11,474

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(1) Maximum Coal Output (all China including Manchuria):

Maximum coal output in all China, including Manchuria, was in 1943, and the output is given in two different figures: 66 million 170 thousand tons, and 52 million 647 thousand tons. (Note.)

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(in 10,000 thousand tons)

1936	1943	1944	1945
3934.2	6617	5501	5238

The above figures appear in the magazine Comprehensive Economic Report (CHINGCHI CHOUPAO) published 12 February 1953.

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If estimates of changes in later coal production are made on the basis of data announced up to the present by SUNG Shao-wen (1345/0508/2429), [illegible]-ch'un (2621/1381/2504), CHOU En-lai (0719/1869/0171), and KU T'o-fu [illegible], and by taking the two sets of 1943 figures as the base, the result, in general, would be as follows:

Year	Index (Note 3)	Production according to A (Note 1)	Production according to B (Note 2)
1949	100%	66,170 (in thousands of tons)	52,647
1949	45%	29,777	23,691
1950	58.6%	38,776	30,851
1951	69.2%	45,790	36,432
1952	90%	59,533	47,382
1953	90%	59,553	47,382

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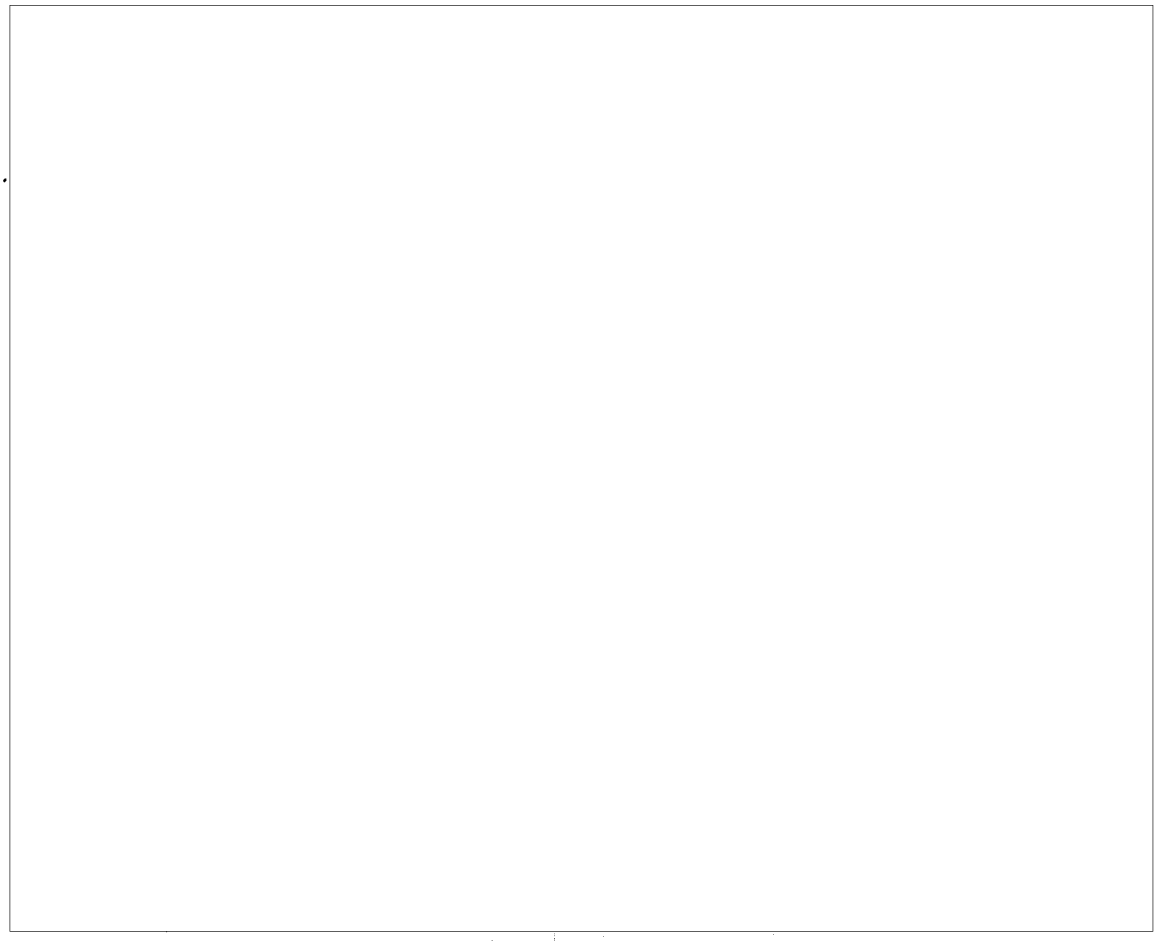

VIII. Data on Potential Output

There are practically no adequate data by which it would be possible to deal with potential maximum output, but the following estimates of future coal output capacity in North China are found on page 225 of the 1939 issue of the China Economic Year Book (SHINA KEIZAI NENPO):

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District	Coal output capacity when rational mechanization in various mining districts is completed	Coal output capacity when present conditions at various mining districts are remedied and recovered	Coal [illegible] before the [illegible]
Central District (Chinghsing, Chengfeng, Paoch'ang)	270	75	120
Southern District (Linhsien, Ta'u Hsien, Chiaotso)	240	40	115
Southern Shantung (I Hsien, Huapao, Hsaifeng)	420	45	145
Northern Shantung (Poshan, Tzuch'uan, Changch'iu)	550	120	260
Western District (Tatung, Hsiahuayuan)	1,500	100	90
Southern Shansi (T'aiyuan area, Hsishan, Shouyang, Yangch'uan)	500	300	270
Total	3,000	680	1,000

(Note): Here, North China has been divided into six independently operating units for the sake of convenience. The degree of technical development meant by the term "rational mechanization" used here is not clear, but it seems that it meant to the degree that threefold increase in production would be possible.

II. Resources Surveys and Coal and Oil Production Reports by the Red Chinese Government

After the "1953 Geological Survey Plan" was adopted at the National Geological Operations Conference held in November 1952, systematic surveys of coal and other mineral resources were conducted. Judging from fragmentary data found in newspaper, magazine and other articles, it seems that a number of coal and oil fields have been discovered.

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Coal fields:

(1) New coal fields have been discovered in Huainan in addition to those in P'inghsiang and Shuik'oushan. Reserves in Huainan are estimated at over one billion tons.

(2) A coal field with reserves of approximately two billion tons has been discovered south of the Tienshan mountain range in Sinkiang.

(3) Completion of the great open mine at the Fouhsin coal mines is mentioned as one of the achievements in 1952. This open mine is said to be larger than the Fushun coal mine and one of the largest in the world. Coal production of this mine had been expected to reach four million tons in 1954.

(4) The Chihsi coal mines (method of simultaneous digging in multiple shafts), the Haokang coal mines (complete mechanization), and the Tatung coal mines may be named as examples where productivity has been rapidly increased through introduction of new techniques and machinery.

Oil fields:

It is reported that the Red Chinese Government had directed 6½ per cent of investment in petroleum industries toward surveys of oil resources (1950), had completed oil surveys principally in the northwest, and had achieved considerable results. Among the northwest oil fields newly discovered in the Chiuch'uan, Minhe, and Shanpei basins, the principal oil field is the Yumen oil field and its production in 1947 was three million 970 thousand gallons of gasoline and one million 750 thousand gallons of kerosene. It is said that production in 1952 was increased by 30 per cent.

The Fushun #2 Petroleum Plant, the greatest in China, had not been in operation since 1946, but it has been announced that large scale repairs on it have begun recently, and it will begin petroleum production in 1954.

(Fushun dispatch of 10 June 1953 - New China News Agency (HSINHUA SHE).)

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